

LOUISIANA RESEARCH AND DEVELOPMENT TAX CREDIT PROGRAM

Company Name_____

Street Address_____

Other Address_____

City_____ Parish_____ State_____

Zip Code_____ Telephone No._____ Fax No._____

E-mail Address_____ Web Site_____

Business Contact Name_____ E-Mail Address_____

Company NAICS Code_____

LA State Senator_____ LA State Representative_____

Brief Description of Business and R & D Expenses:

Full Time Jobs in Louisiana: Current_____ Proposed_____

Part Time Jobs in Louisiana: Current_____ Proposed_____

Include a copy of last year's IRS Tax Return.

Include a copy of your SBIR award (if applicable) and photocopy of Check.

Submit this application to Thomas A. Austin, Louisiana Department of Economic Development, Business Resources Division. Contacts: Phone 225-342-4315; Fax 225-342-0142, or e-mail austin@la.gov

Louisiana Services Directory

Department Name Economic Development

Agency Name Office of Business Development

Category	Business Resource Services Programs
Program Name	Research and Development Tax Credit Program
Description	Companies claiming Federal income tax credit for research activities will now be able to claim against state income and corporation franchise taxes up to 8% of the state's apportioned share of increased R&D expenses or 25% of its apportioned share of federal research credit claimed under 26 USCA Sec. 41 (alternative incremental tax credit). The Income Tax credit will begin in 2003 and the Franchise Tax program will begin in 2004
Clients	Any taxpayer who claims for the taxable year a federal income tax credit under 26 USCA Sec 41(a) for increasing research activities shall be eligible.
Prerequisites	No credits shall be granted to a taxpayer under this Section unless the credit is approved by the Department of Economic Development.
Application Forms	Room 132B, capitol Annex, 1051 N. 3 rd St. Baton Rouge, LA 70802
Internet Forms	www.led.louisiana.gov click on Business Resources then desired program.
E Commerce Link	www.LAEMALL.com click on Business Incentives then desired program.
Other Information	The Department of Economic Development may also award additional one-time tax credits to taxpayers who receive Small Business Innovation Research Grants in an amount equal to 8% of the award.
Contact Person	Thomas Austin austin@la.gov
Telephone Number	(225) 342-4315
Fax Number	(225) 342-0142
Other Agencies Involved	This program is administered by the Louisiana Department of Economic Development, with the assistance of the Louisiana Department of Revenue.
Date Submitted	
Legal Citation	R.S. 47:6015 ACTS 2002/9

LOUISIANA ADMINISTRATIVE CODE
TITLE 13
ECONOMIC DEVELOPMENT
Part I. Financial Incentive Programs

Chapter 29. Research and Development Tax Credit

§2901. Purpose and Application

- A. The purpose of this Chapter is to implement the Research and Development Tax Credit Program as established by R.S. 47:6015.
- B. This Chapter shall be administered to achieve the following purposes:
1. encourage the development, growth, and expansion of the private sector within the state; and
 2. encourage new and continuing efforts to conduct research and development activities within this state.
- C. This Chapter shall apply to any person
1. claiming a credit;
 2. selling or otherwise transferring a credit; or
 3. purchasing or otherwise acquiring a credit under this program.
- D. A person may earn a credit against income or corporation franchise tax liability for the following:
1. any person who claims for the taxable year a federal income tax credit under 26 U.S.C. § 41(a) for increasing research activities may receive a credit in the amount of either:
 - a. eight percent of the state's apportioned share of the taxpayer's expenditures for increasing research activities; or
 - b. twenty-five percent of the state's apportioned share of the federal research credit claimed for research expenditures in the state if the taxpayer claims the alternative incremental tax credit under 26 U.S.C. § 41; and
 2. a person who receives a federal Small Business Innovation Research Grant as created by the Small Business Innovation Development Act of 1982 (P.L. 97-219), reauthorized by the Small Business Research and Development Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business Reauthorization Act of 2000 (P.L. 106-554), may receive a credit in an amount equal to eight percent of the award.
- B. The credit may be carried forward for up to 10 years, or under certain circumstances may be sold pursuant to the provisions of R.S. 47:6015 and this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6015.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development Services, Business Resources Division, LR 30:977 (May 2004).

§2903. Definitions

A. Terms not otherwise defined in this Chapter shall have the same meaning given to them in R.S. 51:2352 unless the context clearly requires otherwise.

B. In this Chapter, the following terms shall have the meaning provided in this Section, unless the context clearly requires otherwise.

Credit Certification-a certification by DED of the amount of the Research and Development Tax Credit earned by a person for a particular tax year.

DED-Louisiana Department of Economic Development.

Person-any natural person or legal entity including an individual, corporation, partnership, or limited liability company.

Qualified Research Expenses in the State-expenses that are qualified research expenses under 26 U.S.C § 41(b) and meet the following requirements:

- a. wages described in 26 U.S.C. § 41(b)(2)(A)(i) shall be paid to individuals who are residents of Louisiana and perform their services in Louisiana;
- b. supplies described in 26 U.S.C. § 41(b)(2)(A)(ii) shall be consumed in Louisiana;
- c. expenses for the right to use computers as described in 26 U.S.C. § 41(b)(2)(A)(iii) shall be for the use of computers located in Louisiana; and
- d. contract research expenses as described in 26 U.S.C. § 41(b)(3) shall be for services performed in Louisiana.

Research and Development Tax Credits-credits against Louisiana income or corporation franchise taxes that are earned by a person pursuant to the provisions of the Research and Development Tax Credit Program.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6015.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development Services, Business Resources Division, LR 30:977 (May 2004).

§2905. Certification of Amount of Credit

A. Prior to claiming a research and development tax credit on any tax return or selling any research and development tax credit, a person must apply for and obtain a credit certification from DED.

B. The application for a credit certification shall be submitted on a form provided by the DED and provide all information requested on the application. DED may request additional information if necessary.

C. DED shall review the application and issue a credit certification in the amount determined to be eligible and provide a copy to the Department of Revenue. The credit certification and the amount of such certification shall be considered preliminary and shall be subject in all respects to audit by the Louisiana Department of Revenue.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6015.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development Services, Business Resources Division, LR 30:977 (May 2004).

§2907. Sale of Research and Development Tax Credits

A. Research and development tax credits may be transferred only by sale approved by DED. No sale or other transfer of a research and development tax credit shall be valid until the proposed sale or transfer is submitted to DED for approval and approved by DED.

B. A request for the approval of a sale or transfer shall be to the DED in writing and shall include the following information:

1. a copy of the proposed sale or transfer detailing all of its terms;
2. a reference to the original credit certification that authorized the research and development tax credit; and
3. copies of the taxpayer's last two LDOL Quarterly Report of Wages.

C. The taxpayer's business must be within one of the following clusters as described in Louisiana Vision 2020, 2003 Update:

1. advanced materials;
2. agriculture and food products;
3. entertainment;
4. environmental technologies;
5. food technologies;
6. health care;
7. information technologies;
8. life sciences (including biomedical and biotechnology);
9. micro - and nano- technologies;
10. oil, gas and energy technologies;
11. chemicals/petrochemicals;
12. shipbuilding and other durable goods manufacturing;
13. transportation and logistics;
14. tourism;
15. wood, lumber, and paper.

D. DED shall review the proposed sale and if the sale complies with the criteria established by law, DED shall issue an approval certification. DED shall maintain a record of all credits sold and provide a copy of all approved sales to the Department of Revenue.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6015.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development Services, Business Resources Division, LR 30:978 (May 2004).

§2909. Application Fee

A. 1. An application fee in the amount of \$200 shall be submitted with the each application.

2. All fees shall be made payable to:

Louisiana Department of Economic Development.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6015.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development Services, Business Resources Division, LR 30:978 (May 2004).

§2911. Recapture of Credits

A. An application for credit certification shall constitute:

1. a consent by the taxpayer that credits granted under this Section, but later disallowed in whole or in part, may be recovered by the secretary of the Department of Revenue from the taxpayer applicant through any collection remedy authorized by the provisions of R.S. 47:6015(H); and

2. a consent by the taxpayer that the Department of Revenue may disclose to DED, any tax information of the taxpayer related to the earning of, or use of research and development tax credits by the taxpayer or any other information required by DED for the effective administration of this program, provided that such tax information, shall remain confidential in the possession of DED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:6015.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development Services, Business Resources Division, LR 30:978 (May 2004).